

Message Text

LIMITED OFFICIAL USE

PAGE 01 JOHANN 00775 051209Z

ACTION AF-08

INFO OCT-01 IO-13 ISO-00 OPIC-03 CIAE-00 COME-00 EB-08

INR-07 LAB-04 NSAE-00 SIL-01 L-03 INT-05 DODE-00

PA-01 USIA-06 PRS-01 SP-02 /063 W

-----051215Z 066105 /22

R 050805Z APR 77

FM AMCONSUL JOHANNESBURG

TO SECSTATE WASHDC 5845

AMEMBASSY MBABANE

INFO AMCONSUL CAPE TOWN

AMCONSUL DURBAN POUCH

AMEMBASSY PRETORIA

AMEMBASSY MAPUTO POUCH

AMEMBASSY MASERU POUCH

AMEMBASSY GABORONE POUCH

USMISSION USUN NEW YORK

LIMITED OFFICIAL USE JOHANNESBURG 0775

CAPE TOWN ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: ELAB, EGEN, EIND, BEXP, SF, US

SUBJECT: REPORTED PULL-OUT OF US SIBSIDIARY HALLIBURTON

REF: A) JOHANNESBURG 0246; B) JOHANNESBURG 0431;

C) JOHANNESBURG 2278, DEC 20, 1976;

D) JOHANNESBURG 1728, OCTOBER 5, 1976

1. ACCORDING TO AN ARTICLE BY AIDA PARKER IN THE MARCH 30 EDITION OF THE ENGLISH LANGUAGE DAILY, THE CITIZEN, THE "FIRST AMERICAN COMPANY TO PULL OUT OF SOUTH AFRICA BECAUSE OF CHURCH SHAREHOLDER PRESSURE IS LIKELY TO BE IMCO SERVICES, A SUBSIDIARY OF THE GIAN HALLIBURTON CONGLOMERATE, HALLIBURTON OF DUNCAN, OKLAHOMA".

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 JOHANN 00775 051209Z

2. "BASED IN JOHANNESBURG, IMCO'S SOUTH AFRICAN OPERATION IS THE SOLE SUPPLIER OF OIL WELL ENGINEERING SERVICES AND CHEMICALS TO SOEKOR, THE SOUTH AFRICAN OIL EXPLORATION COMPANY.

"IMCO'S DISAPPEARANCE FROM THIS MARKET WILL NOT CREATE ANY PARTICULAR DIFFICULTIES FOR SOEKOR, AS CONTINGENCY

PLANS HAVE ALREADY BEEN MADE WITH ANOTHER COMPANY.
"LOCAL IMCO SPOKESMAN SAY THEY HAVE RECEIVED NO
DEFINITE STATEMENT FROM THEIR OKLAHOMA HEADQUARTERS
ON IF AND WHEN THEY ARE TO PULL OUT....

3. IN CONTRAST WITH THE HALLIBURTON REPORT THE CITIZEN
CARRIES ANOTHER ARTICLE ON THE SAME PAGE TO THE
EFFECT TAT THE LOCAL SUBSIDIARY OF NATIONAL CASH
REGISTER (NCR) HAS CONFIRMED ITS INTENTION TO BEGIN
INITIAL PLANNING FOR A 4.5 MILLION RAND (ONE RAND
EQUALS APPROXIMATELY 1.15 DOLLARS) HEADQUARTERS, PROBABLY
IN JOHANNESBURG."

4. IN ANOTHER ARTICLE (SEE SEPTTEL) PARKER ALSO REPORTS ON
A PRO-SOUTH AFRICA CAMPAIGN IN THE UNITED STATES BY A
GROUP CALLED AMERICANS CONCERNED ABOUT SOUTH AFRICA (ACSA).

5. COMMENT: THE CITIZEN REPORT ON IMCO-HALLIBURTON'S
PULL-OUT (PARAS 1 AND 2) TELLS ONLY PART OF STORY AND,
TYPICALLY, TAKES DRAMATIC APPROACH TO SELL COPY. WE ARE
NOT SURE YET IF STORY ORIGINATED FROM SOUTHERN OIL
EXPLORATION CORPORATION (SOEKOR) SOURCE OR FROM FORMER IMCO REP.
AMCIT WILLIAM R. JORDAN. IN ANY EVENT, IN FEBRUARY
JORDAN INFORMED REGIONAL RESOURCES OFFICER OF FIRM'S PLANNED
DE-EMPHASIS IN SOUTH ARICA (REFS A AND B) AND WE HAVE
SINCE FOLLOWED DEVELOPMENTS CLOSELY. IMCO HAS, IN FACT,
NOW CLOSED ITS OFFICE IN JOHANNESBURG, BUT WILL CONTINUE
TO MARKET ITS PRODUCTS IN THIS REGION THROUGH JORDAN'S NEW
COMPANY "DRILCHEM (PTY) LIMITED". INDEED, JORDAN IS CURRENTLY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 JOHANN 00775 051209Z

EXPANDING OPERATIONS UNDER NEW FORMAT. ON GOING, LONG RANGE,
BARITE, BENTONITE, DRILL CHEMICAL AND OIL WELL MUD EQUIPMENT
SUPPLY CONTRACTS WITH SOEKOR WILL CONTINUE (TO MEET
THAT FIRM'S NEEDS IN OFFSHORE OIL EXPLORATION - REF C).
DRILCHEM SALES WILL BE EXTENDED TO OTHER SOUTHERN AFRICAN
AND PERSIAN GULF COUNTRIES (SENSITIVE TO SOUTH AFRICAN
AFFAIRS) PREVIOUSLY SERVED DIRECTLY UNDER THE
IMCO-HALLIBURTON (IMCO SERVICES) NAME AND, AS IN THE
PAST, WILL INCLUDE THE MARKETING OF IMCO PRODUCTS TO
ALL CUSTOMERS TO THE DEGREE APPLICABLE. ADDITIONALLY,
JORDAN PLANS EARLY NEGOTIATIONS WITH GOVERNMENT OF
SWAZILAND; HOPEFULLY TO OBTAIN BARITE MINING LEASE ON
PROPERTY FORMERLY HELD BY THE NOW-BANKRUPT DAVID G.
KLIPIN INTERESTS (REF A). (REPORTEDLY, JORDAN HAS
COMPLETED DRAFT PROPOSAL FOR LEASE THAT WOULD INCLUDE
SWAZI NATION PARTICIPATION AND HOPES TO PRESENT THIS
OFFER TO APPROPRIATE GOS OFFICIALS WITHIN NEXT
FEW DAYS. HE HAS ASSURED THIS OFFICE HE WILL FULLY
BRIEF AMEMBASSY MBABANE OFFICERS ON LATEST DEVELOPMENTS

AT THAT TIME).

6. INDICATIONS ARE THAT IMCO'S NEW LOW KEY POSITION IN SOUTH AFRICA WAS STRATEGIC STEP ON PART OF HOME OFFICE (US) REPS, DESIGNED TO APPEASE CERTAIN SHAREHOLDERS AND CUSTOMERS IN LIGHT OF RECENT POLITICAL DEVELOPMENTS WHILE ASSURING SAG THAT IMCO WOULD NOT LET DOWN SOEKOR OR ITS AMERICAN DRILLING CONTRA TOR (SOUTH EASTERN DRILLING COMPANY OF DALLAS - REF C) DURING MOMENT OF NEED.

7. FINALLY, AS FOOTNOTE TO CITIZEN REPORT, DEPARTMENT WILL RECALL THAT IMCO-HALLIBURTON IS NOT THE "FIRST AMERICAN COMPANY TO PULL-OUT OF SOUTH AFRICA". OCCIDENTAL MINERALS CORPORATION (OCCIDENTAL PETROLEUM CORPORATION) TERMINATED ITS ACTIVITIES IN SOUTH AFRICA "FOR POLITICAL REASONS" IN OCTOBER 1976 (REF D). OXY'S DECISION, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 JOHANN 00775 051209Z

HOWEVER, ESCAPED THE PRESS AND REMAINS A NON-STORY PUBLICLY.
END COMMENT.
KIRBY

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUBSIDIARIES, FOREIGN INVESTMENTS, CLOSURE OF OFFICES
Control Number: n/a
Copy: SINGLE
Sent Date: 05-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JOHANN00775
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770118-0114
Format: TEL
From: JOHANNESBURG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770487/aaaacyhn.tel
Line Count: 142
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: af24efa9-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 JOHANNESBURG 246, 77 JOHANNESBURG 431
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2896438
Secure: OPEN
Status: NATIVE
Subject: REPORTED PULL-OUT OF US SIBSIDIARY HALLIBURGON
TAGS: ELAB, EGEN, EIND, BEXP, SF, US, IMCO, HALLIBURTON
To: STATE MBABANE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/af24efa9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009